

Stop Trying to Overcome Annuity Objections!
Why Our Industry Needs to *Advise* Clients and Not Just *Sell* Them.

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I'm disgusted. I'm disgusted with insurance companies, annuity marketing organizations, and with insurance agents. Shame on all of you. Millions of retirees and baby boomers need the objective help of financial advisers to guide them in their retirement planning needs. But instead of our industry setting itself apart by helping the consumer, we've got an industry of self-serving and reckless snake-oil-salesmen – many of whom just help themselves. What's wrong with our industry?

First let's start with annuity marketing organizations. Many marketing organizations contribute to our industry's decay by focusing their attention on helping agents sell better. Here's my question: Why not focus on helping agents become better advisers?

I don't know if it is true, but I recently heard that an annuity marketing company recommended that one of its agents stand in the produce section of the grocery store and hand out business cards...is this what we've come to? I wouldn't be surprised if this story were true. The latest pitch I saw from an annuity marketing organization made my skin crawl. The marketing organization purported to help annuity agents "dramatically increase their income" with a CD that provided "powerful answers" to the "Top 20 Objections to Indexed Annuities." Wait a minute...are you telling me that there are actually twenty objections to indexed annuities? *And* you're telling me that despite the fact that you think there are 20 of these so-called "objections," you're going to show agents how to sell right through them? You've got to be kidding.

Here's my question: why do we need to overcome any objections at all? Why not advise and counsel prospective clients, instead of seeing how you can "hood-wink" or trick them. I firmly believe that you don't have to fool anyone, or rely on sleight-of-hand "powerful answers" to help someone choose the right financial products for their situation. To be fair, I've written more than my share of indexed annuities, as well as other annuities, without having to resort to scheming against and preying on potential clients. Clients don't need to be scared or "tricked" into buying our recommendations...they just want and need objective advice. They expect you to make a living. Be honest, candid, and straightforward and they'll reward you with their business and referrals.

Second, let's talk about insurance company product innovation and marketing. It seems like a new annuity comes out every week, and it is more complicated than the one from the previous week. How many annuities do we need? How many ways are there to get to 6%? These products should be getting less complicated and more efficient as they mature, not more complicated. I don't know how insurance companies expect the older client to understand these more complicated products, when I have to read the annuity disclosures and statements of understanding twice, and have to take nap in the middle just to understand them myself!

Also, insurance companies, will you do us all a favor and please stop building skateboards that can go 200 mph? Some of the annuities offered today can and will cause a great deal of trouble if not used correctly. It is like giving the 200mph skateboard to a 12-year-old and telling them "now you be careful and don't get hurt." Come on. Please don't build products that are only going to give our industry a black eye. Please stop offering annuities that carry a huge "upfront" bonus that is only realized if the annuity owner "annuitizes" the policy. Yes, insurance company, I know that you said the bonus is applied to the annuitization value. Do you really think anyone is going to remember that? Do you think the average 70-year old understands that? Do you really think your agent is going to point that out, or just use the bonus to make the sale? You know the answer. Do you care about our industry and the clients you serve or do you just care about this quarter's premium?

Last but not least, I have a request for my fellow financial advisers and agents...would you please join me in trying to **help** people instead of selling whatever gets them to buy? Helping people with their money is a noble profession. Please treat it, and the clients we serve, with respect. The days are gone when you could put all of a retiree's money into an 18-year annuity, get paid a 13% commission, and then never see the client again. Conduct like that will no longer be tolerated by the regulators, and the media will have a field day when they see it. There is so much opportunity for us to help current retirees, and the wave of baby boomers right behind them, if we do business the right way. That means having a professional office, providing financial plans, managing investments for a fee, recommending the best annuity products from multiple companies, and being straightforward about how you are paid. And sometimes, that also may mean telling a prospect that they don't need your help. Everytime I've done that, I've received a referral or been rewarded in another way. It is always the right time to do the right thing.

About the Author: David D. Holland is an independent financial planner/investment adviser/annuity agent in Ormond Beach, Florida. In 2007, David teamed up with industry veteran, Mike Mastowski, to establish Retiree Adviser Marketing Corporation (RAM). RAM provides independent agents with access to high quality annuity products and helps them expand their services to include real retirement advice. RAM also gives agents the opportunity to access David's marketing and planning system – the same system which allowed him to achieve \$30 million in personal production for two years in a row. The RAM System includes: A Proven Seminar System (slides, script, invitation, prospect interview questionnaire and seminar training video), a Prospect Marketing Video and a Client Planning System. And now, agents can leverage their time with **free** customized retirement plans and RAM's 50 basis-points RIA platform. **To get more information about RAM's services, agents are invited to call 888-422-7007 or visit www.retireeadviser.com.**